

# Tehama County Economic Forecast

## Forecast Summary

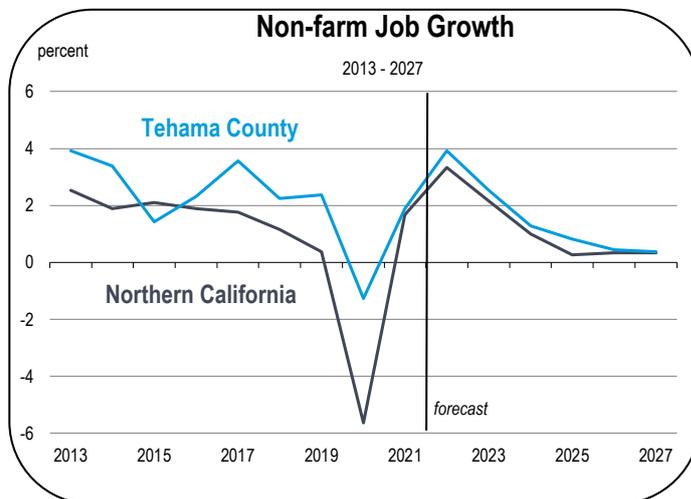
- Total employment in Tehama County increased by 340 jobs in 2021. In 2022, an additional 700 jobs will be created. Tehama County was one of the first regions to recover from the Coronavirus Recession.
- Over the 2022-2027 forecast period, total employment in Tehama County is expected to increase by approximately 2,000 jobs.
- Government, healthcare, leisure services, and transportation and warehousing will be responsible for most job creation during the forecast period.
- The unemployment rate averaged 7.2 percent in 2021. It is forecast to average 5.1 percent in 2022 and 4.4 percent in 2023.
- The median home price increased by 17 percent in 2021. The median selling price of single-family homes will rise 2 percent in 2022 to \$334,000.

## Job Growth

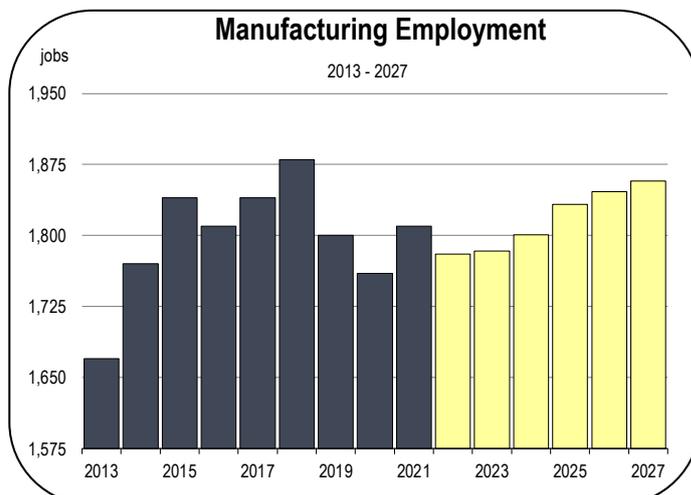
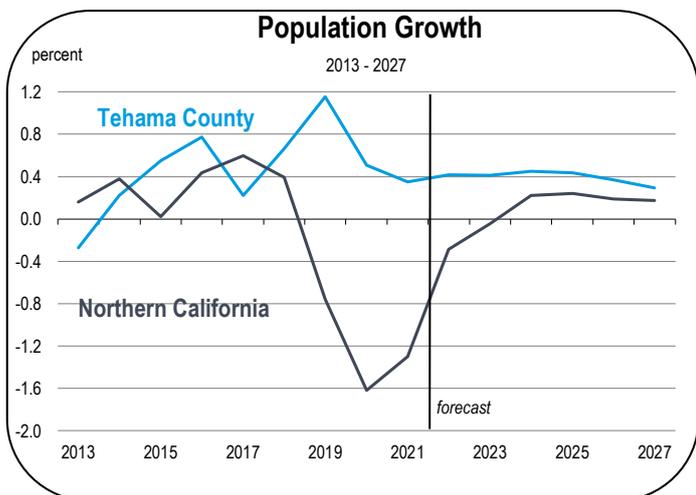
- Total employment in Tehama County will expand by 3.9 percent in 2022 on an annual average basis.
- Between 2023 and 2027, job growth will average 1.8 percent.

## Manufacturing Employment

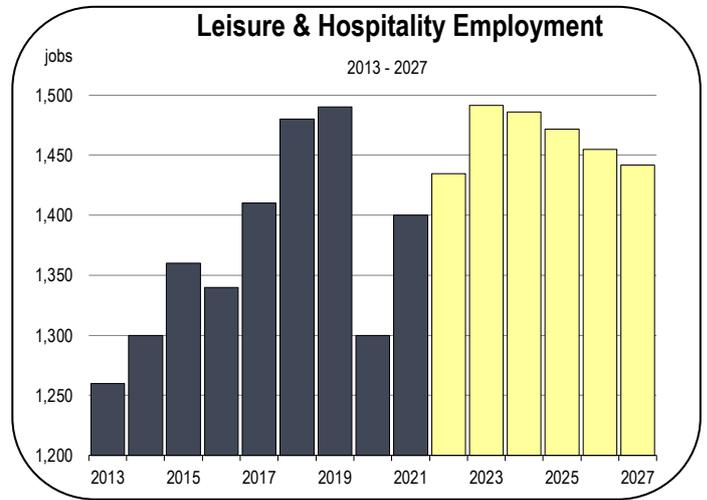
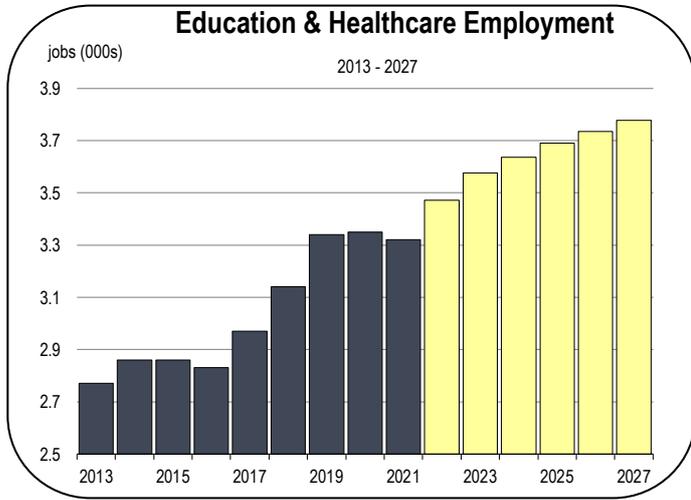
- Tehama County manufacturing is concentrated in lumber production, and the largest employer is Sierra Pacific Industries.



- Sierra Pacific Industries is headquartered in Shasta County but has many workers located in Tehama County. The company manages more than 2 million acres of forest area in California and Washington.
- Sierra Pacific Industries has two mills in Tehama County, located in Corning and Red Bluff. These facilities process several varieties of trees and produce door frames, window frames, and other lumbar products.
- The manufacturing sector is expected to expand throughout the 2022-2027 forecast period, ultimately increasing by more than 90 jobs.



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## Private Education and Healthcare Employment

- Healthcare is among the largest employment sectors in Tehama County, behind only government.
- The largest healthcare organization is St. Elizabeth Community Hospital, which employs more than 400 workers and has approximately 50 patient beds.
- Over the forecast period, healthcare employment will increase by approximately 400 jobs, which is more than almost any other sector.

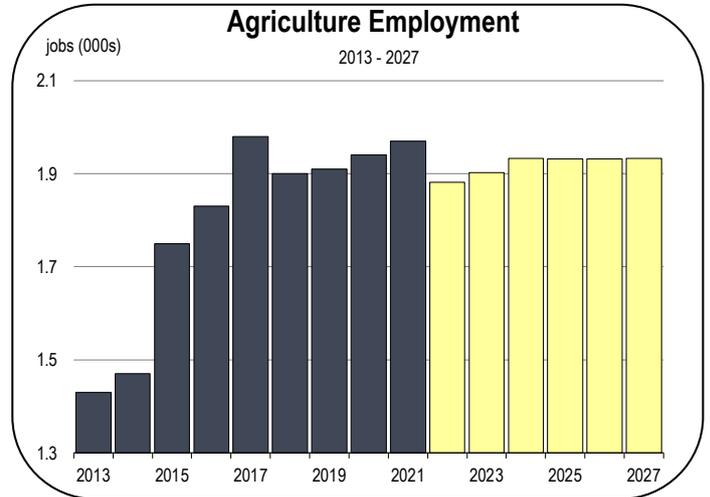
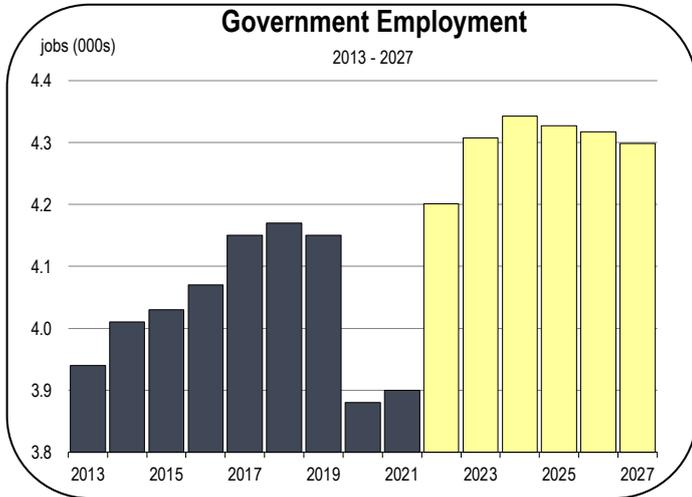
## Leisure and Hospitality Employment

- One of the main visitor attractions in Tehama County is the Red Bluff Rodeo. In 2021, the Red Bluff Rodeo had its 100th anniversary. It is estimated that the rodeo generates an economic impact of \$7 million annually in Tehama County.
- The town of Corning is the capital of California’s olive oil industry, and local vendors have established a hospitality and food-services subsector around olive oil tasting.
- The leisure and hospitality industry is expected to return to pre-pandemic staffing levels by 2024.



Sacramento River in Tehama County

# Tehama County Economic Forecast

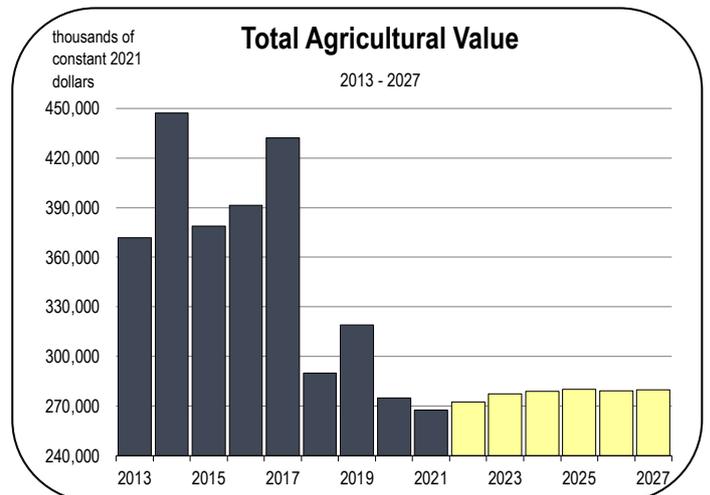
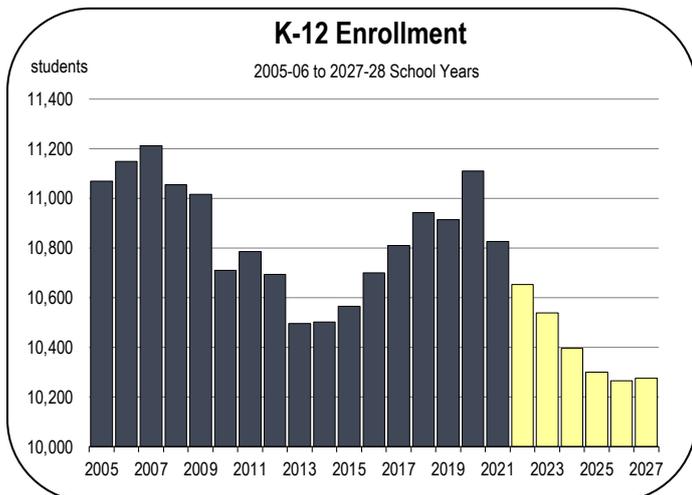


## Government Employment

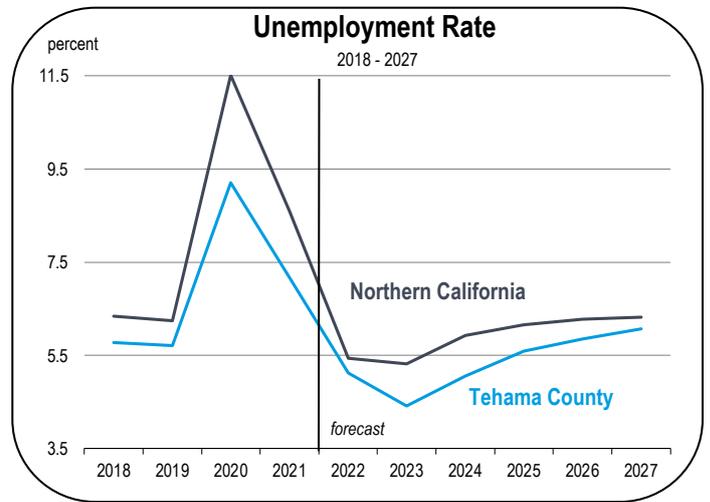
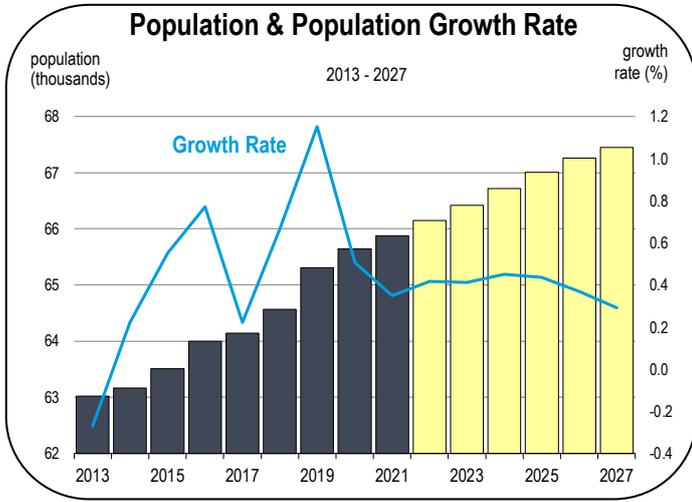
- Public sector agencies lost approximately 300 jobs during 2020. However, by late 2022, all jobs have been restored.
- The largest government agencies in Tehama County are the local school districts and the Tehama County Health Services Agency.
- Government departments collectively will remain the principal sector of employment over the forecast.
- K-12 student enrollment rose sharply in the 2017 to 2020 period, due in large part to the fires in Butte County which moved populations to adjacent counties like Tehama. As rebuilds occur and populations return to fire struck counties, enrollment is predicted to decline over the forecast, limiting the growth of public sector employment.

## Agriculture Employment

- The leading crops in Tehama County are almonds and walnuts with a total 2021 value of \$155 million.
- The agriculture sector has thrived in recent years as global commodity prices have sharply increased for almonds, walnuts, and prunes, leading to rising sales and the creation of farming jobs.
- Employment unexpectedly contracted in 2022 but is forecast to remain a stable job sector over the forecast.



# Tehama County Economic Forecast



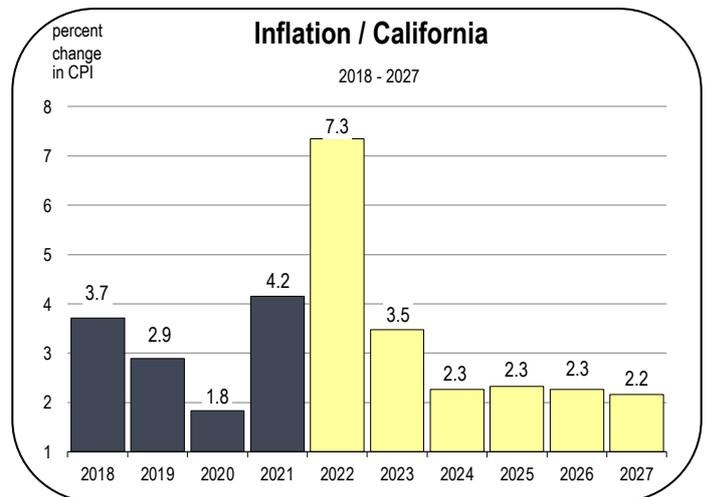
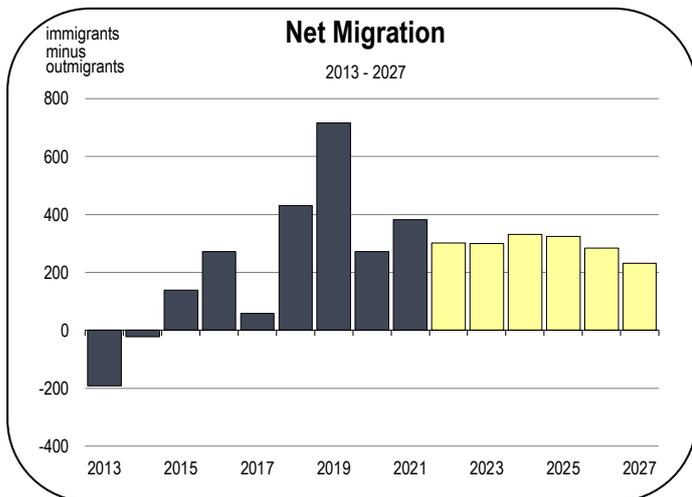
## Population Growth

- Unlike many counties in Northern California, the Tehama County population is expected to rise over the forecast, at an average annual rate of 0.4 percent.
- The number of people moving into Tehama County is expected to exceed the number of residents moving out, including the temporary residents displaced by recent fires in the region. Positive net in-migration is the principal contributor to positive population growth.
- By 2027, the population is forecast to approach 68,000 residents.

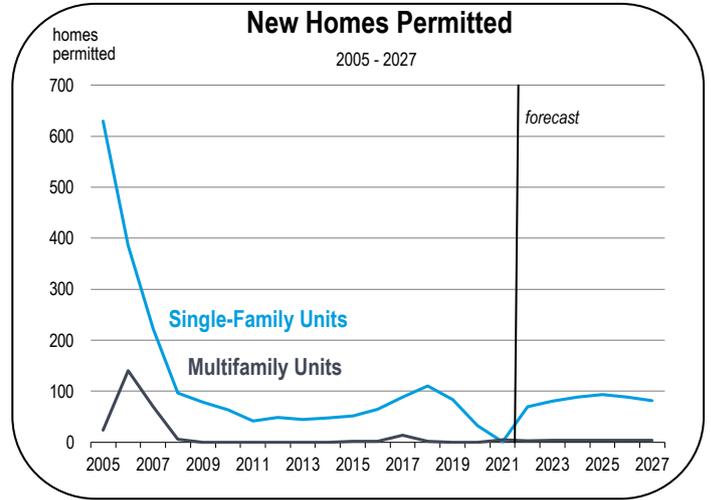
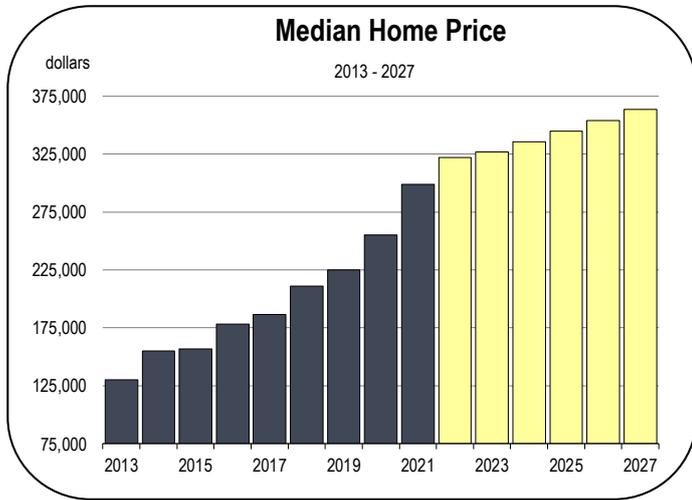
## Unemployment and Inflation Rates

- The unemployment rate in Tehama County averaged 7.2 percent in 2021. It is expected to average 5.1 percent in 2022 and 4.4 percent in 2023.

- Inflation decelerated sharply in 2020, largely because energy prices declined when the demand for fuels plunged.
- Inflation soared in 2021 and is expected to remain elevated for several years.
- During 2022 and into 2023, there will be a number of factors that will contribute to higher inflation. The most prominent will be:
  - Record spending by consumers and the federal government during 2021 and 2022
  - Fractures in the global supply chain that raise the cost of production for many businesses
  - Sharp increases in the cost of housing and energy
  - Labor market recruitment challenges that force companies to raise wages



# Tehama County Economic Forecast



- Combined, these factors have pushed inflation to its highest rate in 40 years. Ultimately, inflation reduces the purchasing power of households and negatively impacts consumer confidence, limiting the growth potential of the economy in 2022.
- However, inflation will begin to decelerate after 2022 as supply chains and the labor force are restored, eventually falling to below 3 percent again by 2024.

For single family detached homes, the median selling price was \$328,000. Selling values peaked in May 2022 but have contracted over the remaining months of the year.

- The median home value is expected to average \$321,800 in 2022 and surpass \$360,000 by 2027.
- From 2016 to 2021, an average of 120 new homes were built in the county each year. More than 95 percent were single-family homes.
- Housing production is expected to average 60 to 70 units from 2022 to 2027, consisting almost entirely of single-family homes.

## Home Prices and New Housing Production

- In 2021, the median home value in Tehama County was \$299,000.

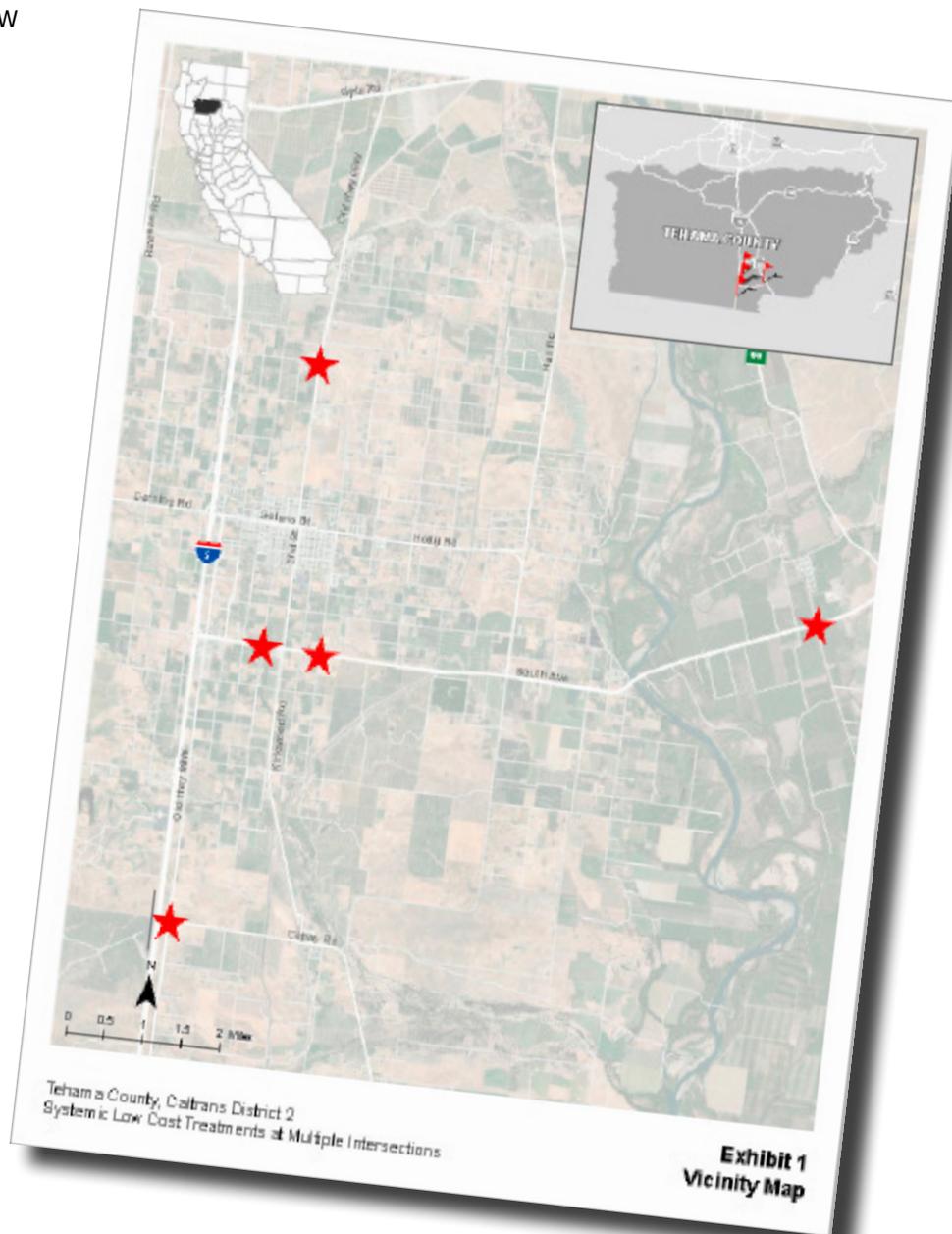


Downtown Red Bluff

# Tehama County Economic Forecast

## Highway Safety Improvement Program

- The following 5 intersections in Tehama will be receiving safety improvements:
  - South Avenue & Rowles Road
  - South Avenue & Marguerite Avenue
  - South Avenue & Woodson Avenue
  - Finnell Avenue & 99W
  - Capay Road & 99W
- These improvements include boulevard-style islands on road approaches and upgraded pavement markings. Flashing beacons will also be installed for advance warning on major road approaches.
- The project is expected to be completed in late Fall 2022.



Tehama Highway Safety Improvement Program Map  
[Stars represent intersections receiving improvements]

# Tehama County Economic Forecast

## Economic Indicators

## 2015-2021 History, 2022-2050 Forecast

	Population (people)	House- holds (thousands)	Net Migration (people)	New Homes Permitted (homes)	Registered Vehicles (thousands)	Personal Income (billions)	Taxable Retail Sales (millions)	Total Taxable Sales (millions)	Real Industrial Production (millions)	Real per Capita Income (dollars)	Unemployment Rate (percent)	Real Farm Production (millions)	Inflation Rate (percent)
2015	63,509	24.2	138	54	74	\$2.4	\$597	\$780	\$376	\$44,856	8.0	\$379	1.4
2016	63,999	24.4	272	66	75	\$2.5	\$608	\$793	\$386	\$44,626	7.2	\$391	2.3
2017	64,141	24.5	59	102	74	\$2.6	\$647	\$816	\$398	\$45,810	6.4	\$432	3.0
2018	64,568	24.7	430	112	75	\$2.7	\$681	\$836	\$390	\$45,493	5.8	\$290	3.7
2019	65,312	24.7	715	83	78	\$2.9	\$736	\$951	\$380	\$46,443	5.7	\$319	2.9
2020	65,643	24.8	271	33	77	\$3.0	\$787	\$1,002	\$392	\$47,921	9.2	\$275	1.8
2021	65,873	24.9	381	6	79	\$3.2	\$895	\$1,144	\$399	\$47,958	7.2	\$268	4.2
2022	66,148	24.9	301	72	80	\$3.4	\$982	\$1,251	\$428	\$48,357	5.1	\$272	7.3
2023	66,420	25.0	299	84	81	\$3.7	\$1,008	\$1,285	\$439	\$49,533	4.4	\$277	3.5
2024	66,719	25.0	331	92	81	\$3.8	\$1,026	\$1,307	\$445	\$50,566	5.1	\$279	2.3
2025	67,011	25.1	324	96	82	\$4.0	\$1,044	\$1,330	\$450	\$51,760	5.6	\$280	2.3
2026	67,258	25.2	284	92	82	\$4.2	\$1,062	\$1,353	\$456	\$52,431	5.9	\$279	2.3
2027	67,454	25.3	232	84	82	\$4.4	\$1,079	\$1,374	\$457	\$53,115	6.1	\$280	2.2
2028	67,612	25.4	192	72	82	\$4.5	\$1,097	\$1,397	\$456	\$53,855	6.2	\$280	2.2
2029	67,744	25.4	164	67	83	\$4.7	\$1,124	\$1,431	\$456	\$54,588	6.3	\$281	2.3
2030	67,861	25.5	151	63	83	\$4.9	\$1,154	\$1,469	\$455	\$55,253	6.4	\$282	2.2
2031	67,956	25.6	130	59	83	\$5.0	\$1,178	\$1,500	\$456	\$55,846	6.5	\$283	2.1
2032	68,043	25.6	119	56	83	\$5.2	\$1,207	\$1,536	\$456	\$56,371	6.5	\$284	2.3
2033	68,124	25.7	111	53	84	\$5.4	\$1,231	\$1,568	\$455	\$57,010	6.6	\$283	1.9
2034	68,198	25.7	104	51	84	\$5.5	\$1,258	\$1,602	\$455	\$57,606	6.7	\$284	2.1
2035	68,258	25.8	95	48	84	\$5.7	\$1,289	\$1,642	\$452	\$58,158	6.7	\$284	2.2
2036	68,310	25.8	92	46	84	\$5.9	\$1,327	\$1,690	\$451	\$58,601	6.7	\$284	2.6
2037	68,356	25.9	92	45	84	\$6.1	\$1,364	\$1,737	\$450	\$59,015	6.7	\$285	2.7
2038	68,390	25.9	90	43	85	\$6.3	\$1,400	\$1,784	\$450	\$59,482	6.7	\$285	2.5
2039	68,416	25.9	89	42	85	\$6.6	\$1,440	\$1,834	\$449	\$59,895	6.6	\$286	2.7
2040	68,437	26.0	90	41	85	\$6.8	\$1,477	\$1,882	\$449	\$60,332	6.6	\$287	2.6
2041	68,453	26.0	86	39	85	\$7.0	\$1,510	\$1,924	\$448	\$60,861	6.6	\$287	2.2
2042	68,466	26.1	84	37	85	\$7.2	\$1,543	\$1,966	\$447	\$61,430	6.6	\$288	2.1
2043	68,477	26.1	85	36	85	\$7.4	\$1,576	\$2,008	\$446	\$62,024	6.6	\$288	2.0
2044	68,491	26.1	85	35	85	\$7.6	\$1,604	\$2,044	\$445	\$62,681	6.6	\$289	1.8
2045	68,504	26.2	84	34	85	\$7.9	\$1,638	\$2,088	\$445	\$63,285	6.6	\$289	1.9
2046	68,522	26.2	85	33	86	\$8.1	\$1,673	\$2,132	\$444	\$63,849	6.6	\$290	2.0
2047	68,552	26.2	87	32	86	\$8.3	\$1,710	\$2,178	\$443	\$64,322	6.6	\$290	2.2
2048	68,591	26.2	91	31	86	\$8.6	\$1,752	\$2,232	\$443	\$64,758	6.5	\$291	2.3
2049	68,637	26.3	93	30	86	\$8.8	\$1,789	\$2,280	\$443	\$65,280	6.5	\$291	2.0
2050	68,688	26.3	94	29	86	\$9.1	\$1,830	\$2,332	\$442	\$65,764	6.5	\$292	2.1

## Employment Sectors

## 2015-2021 History, 2022-2050 Forecast

	Total Wage & Salary	Farm	Construction	Manufac- turing	Transportation & Utilities	Wholesale & Retail Trade (jobs)	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
2015	18,180	1,750	550	1,840	1,500	2,170	330	700	60	2,860	1,360	4,030
2016	18,640	1,830	560	1,810	1,570	2,350	360	810	80	2,830	1,340	4,070
2017	19,390	1,980	610	1,840	1,680	2,340	350	880	110	2,970	1,410	4,150
2018	19,700	1,900	690	1,880	1,690	2,350	320	820	100	3,140	1,480	4,170
2019	20,130	1,910	830	1,800	1,680	2,400	310	860	90	3,340	1,490	4,150
2020	19,930	1,940	950	1,760	1,710	2,410	330	840	90	3,350	1,300	3,880
2021	20,300	1,970	1,030	1,810	1,780	2,400	330	810	90	3,320	1,400	3,900
2022	20,930	1,881	1,074	1,780	1,893	2,448	346	742	94	3,472	1,435	4,201
2023	21,430	1,902	1,092	1,784	2,020	2,461	359	758	88	3,576	1,492	4,308
2024	21,710	1,933	1,096	1,801	2,137	2,455	353	804	89	3,635	1,486	4,342
2025	21,870	1,932	1,097	1,833	2,235	2,461	348	834	88	3,691	1,472	4,327
2026	21,960	1,931	1,084	1,846	2,310	2,468	343	860	88	3,735	1,455	4,317
2027	22,040	1,933	1,069	1,858	2,371	2,471	339	874	86	3,777	1,442	4,298
2028	22,160	1,943	1,052	1,880	2,425	2,476	337	890	84	3,819	1,432	4,309
2029	22,290	1,954	1,039	1,891	2,475	2,478	335	904	84	3,860	1,434	4,319
2030	22,440	1,965	1,027	1,912	2,522	2,483	334	908	83	3,902	1,436	4,342
2031	22,530	1,965	1,014	1,925	2,567	2,483	334	911	83	3,942	1,439	4,335
2032	22,640	1,967	1,003	1,937	2,609	2,484	335	914	82	3,981	1,442	4,340
2033	22,750	1,968	991	1,948	2,650	2,485	334	917	82	4,019	1,444	4,345
2034	22,840	1,970	979	1,949	2,689	2,486	333	919	81	4,056	1,446	4,361
2035	22,920	1,969	978	1,949	2,725	2,487	333	922	81	4,094	1,448	4,364
2036	23,000	1,969	977	1,948	2,757	2,489	332	924	81	4,131	1,450	4,368
2037	23,090	1,970	976	1,948	2,788	2,489	332	927	81	4,168	1,451	4,381
2038	23,170	1,971	975	1,947	2,816	2,489	332	929	81	4,203	1,453	4,385
2039	23,240	1,972	975	1,945	2,841	2,489	332	932	81	4,238	1,454	4,389
2040	23,320	1,973	974	1,942	2,864	2,488	333	934	81	4,271	1,456	4,404
2041	23,370	1,973	973	1,940	2,885	2,488	332	936	81	4,304	1,457	4,396
2042	23,420	1,973	972	1,937	2,904	2,487	333	938	81	4,335	1,459	4,400
2043	23,480	1,973	972	1,936	2,921	2,487	333	940	81	4,367	1,460	4,403
2044	23,530	1,974	971	1,934	2,937	2,485	333	942	80	4,397	1,462	4,407
2045	23,570	1,974	970	1,932	2,952	2,485	333	944	80	4,426	1,463	4,401
2046	23,620	1,974	970	1,931	2,965	2,484	333	946	80	4,454	1,464	4,404
2047	23,670	1,975	969	1,930	2,977	2,483	333	948	81	4,482	1,466	4,408
2048	23,730	1,976	969	1,929	2,988	2,483	333	950	81	4,508	1,467	4,422
2049	23,790	1,976	969	1,928	2,998	2,482	332	951	81	4,535	1,469	4,435
2050	23,840	1,977	968	1,927	3,008	2,482	333	953	81	4,560	1,470	4,449

# Tehama County Economic Forecast

## Socioeconomic Indicators

